

**STEP BY STEP INSTRUCTIONS**  
**- PLEASE RETAIN FOR YOUR RECORDS -**

The following numbered instructions correspond to the numbered sections of the sample return.

**1 License Number** identifies the account where the return will be applied and is preprinted. When completing a blank form, provide the number assigned by the City. If using a preprinted form from the City, verify the number is correct. This will insure the return is applied to the proper account.

**Period Covered** indicates the month(s) included in the reporting period. It starts with "From" which is the first day of the month (i.e., January 1) and ends with "To" which is the last day of the period to be reported (i.e., January 31 for monthly filing, March 31 for 1<sup>st</sup> quarterly filing, December 31 for annual filing).

**Delinquent If Not Received By** reflects the last City business day of the month following the period covered. Please remember that postmarks are not evidence of timely filing. It is recommended that the return be mailed well in advance of this date to avoid late penalties and interest charges.

**2** Mark the check box if the mailing address has changed and make the corrections on the preprinted form. The reverse side of the return envelope may also be used to report these changes. Please note that a change of Chandler business location requires a new license.

**Special Notice** section provides information on City holidays, rate changes, and other information to provide assistance in filing taxes correctly and timely.

**3 Zero Activity Return.** This check box is a new feature to simplify reports of zero activity. Please mark this box if there is no income or use taxable activity during the period identified. Remember a return must be submitted, even when no tax is due.

**4 Business Description** identifies the type of business and is preprinted. When completing a blank form or when adding or correcting a business activity, please refer to the table in Appendix A or the reverse side of the return.

**5 Business Class** identifies the numeric classification of the business description and is preprinted. When completing a blank form or when adding or correcting a business description, please refer to the table in Appendix A or the reverse side of the return.

**6 Gross (Column 1):** Enter the gross income, including tax collected, for each applicable business class. If reporting on the cash basis, enter the total amount received, including draws for construction contracting, in the reporting period. If reporting on the accrual basis, enter the total amount per customer invoices, including progressive billings for construction contracting, in the reporting period. Amounts presented are for example purposes only.

If filing on the quarterly basis, combine the gross income for the three and enter the sum for each business class. Please do not list the income for each month of the quarter separately.

**7 Deductions (Column 2):** Enter the **Total Deductions** from the back of the return for each applicable business class. Refer to step 20. Deductions listed in column 2 that are not itemized on the back of the return will be **DISALLOWED**. (Disallowed deductions will cause the associated tax to be billed until the deductions are declared by amended return.) Amounts presented are for example purposes only.

**8 Taxable Income (Column 3):** Subtract total deductions in Column 2 from gross income in Column 1.

**9 Tax Rate (Column 4):** The tax rate for each business class is preprinted. Convert the tax rate to a decimal when computing the tax amount, for example, 1.50% becomes .015.

**10**

**Tax Amount (Column 5):** Multiply column 3 by column 4 for each business code.

If the return consists of more than one page, enter the total of the tax amounts in column 5 from the additional pages on line 7 of the signature page.

**Add** lines 1 through 7 in column 5 and enter the result on line 8 column 5.

**11**

**Line 9:** Enter the City portion of the excess tax collected.

**12**

**Line 10:** Enter the amount on lines 8 and 9 in column 5.

**13**

**Line 11:** If the return is received by the City after the last City business day of the month, a 10% late payment penalty and late filing penalty of 5% per month or any portion of a month are assessed on late or unpaid taxes. The maximum total of these penalties on a filed return is 25% of the tax due. Interest of 1% per month accrues on the tax due. Daily interest accrues for fractions of the month. Leave this line blank if you want the City to compute the penalty and interest.

**14**

**Line 12:** Add the amount on lines 10 and 11 in column 5.

**15**

**Line 13:** This line provides for a reduction of the tax liability for City authorized credits. If a notice of a credit balance has been received, enter the amount to be applied to the tax due. (It is recommended that credits be researched prior to use to insure they are actually due.) Do not exceed the total tax due. Please attach the Chandler Tax Accounts Receivable (A/R) Statement stub to the return form. This line should also include allowable credits as listed on Line B of the Deduction Schedule on the back of the form.

**16**

**Line 14:** Subtract the amount on line 13 from the amount on line 12.

**17**

**Line 15:** Enter the amount of the check included with the return. Make the check payable to: City of Chandler, and include the license number. Do not staple the check to the return.

**18**

Please sign and date the return. Remember to include the printed name and phone number.

**Instructions for Back of Return**

**Deduction Detail: If deductions are taken, the detail must be provided on this schedule or they will not be allowed, and a tax deficiency notice will be issued.**

**19**

Please enter the Chandler License Number and the Report Period on these lines.

**20**

The six columns correspond to the six lines on the front of the return for the Business Description and Class Code (see step 4 and 5). Enter the numeric Business Class Code in the spaces provided.

**21**

To the left of the Business Class Code columns is a Deduction Description column and the corresponding Deduction Codes (Ded. Code). Due to space allowance only the most common deductions are listed. Please use the blank lines "Other \_\_\_\_\_" to list additional valid deductions for the business activity being reported. Please refer to Appendix A or the Chandler Tax Code in the determination of valid deductions.

**22**

Enter the amount of each deduction on the appropriate deduction line for each preprinted business class.

**23**

**Total Deductions:** Add the deduction amounts in each column and enter the sum on this line. Transfer the total of each column to the front of the return on the corresponding line in Column 2.